

The result, according to Christopher Martin, Global Investment Products executive, JPMorgan Investor Services, “Will be an expanded product suite offering clients access to what we believe is the widest array of short-term investment alternatives available from any custodian.”

The Funds' merger will expand JPMorgan's flagship short-term offering, the Prime Money Market Fund, to over \$70 billion in assets, making it one of the world's largest money market funds. In addition, as a fund complex, JPMorgan Fleming Asset Management will become one of the world's largest managers of institutional cash and money market funds.

“The scale we will gain from merging the two fund complexes creates a greater degree of liquidity for our clients,” says Bob Deutsch, head of the Global Cash Business for JPMorgan Fleming Asset Management. “The larger funds will offer greater flexibility by alleviating clients’ concerns over being a major shareholder of any one fund. This demonstrates the added benefit of having larger funds overall. Further, the additional scale gives JPMorgan increased strength in the marketplace which in turn is also very meaningful for clients.”

“Given the inherent inefficiencies in the clearing and settlement process, clients will always have some amount of residual cash,” says Martin. “In addition, clients also have a wide range of short-term liquidity needs and strategies. Bringing JPMorgan Funds together with the One Group Mutual Funds will only further expand our liquidity solutions, positioning us as we seek to satisfy just about any short-term investment needs our clients might have, conventional or unconventional,” he says.

Following the merger of the two fund groups, the breadth and depth of JPMorgan's already impressive short-term product offering will expand to include several new funds

* Pending the outcome of a proxy vote.



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including three new international products. “The merger further supports our global business strategy by offering clients every flavor of major fund categories in the U.S. and internationally,” says Deutsch. The merger will also result in two state-specific tax-free funds, Ohio and Michigan, not previously available to Investor Services clients, as well as an additional tax free “national” money market fund called the JPMorgan Municipal Money Market Fund.

Innovative Solutions

“A robust liquidity management strategy using money market funds and other short-term investment products can assist clients in managing performance, and in today’s environment every basis point of return is important,” Martin explains.

JPMorgan continues to develop innovative value added solutions to further expand its short-term product offerings, and assist clients in managing their cash as efficiently as possible. One such innovation is JPMorgan’s *Automated Sweep Program*, which includes a variety of intraday and end of day options.

“This is an all encompassing service for clients,” says Peri Kantor, relationship manager, JPMorgan Fleming Asset Management. “When a client chooses the *Automated Sweep Program*, money in their account can be automatically swept into the fund they chose. Concerns about cut-off times, overdraft exposure and the costly associated penalties are minimized.”

The *Automated Sweep Program* also reduces many of the manual processes associated with short-term investments, such as sending daily trade instructions and other activities clients have had to employ to avoid overdrafts in the past. “Where clients would normally have to wait for the proceeds of a short-term transaction to physically reach JPMorgan or one of its competitor banks, with the *Automated Sweep Program*, and because of the relationship between JPMorgan Investor Services and JPMorgan Fleming Asset Management, the movement of money is essentially invisible to our clients... redemptions are immediate,” Kantor says. “Rather than spending time monitoring cash levels, the *Automated Sweep Program* allows clients to focus on their core revenue building businesses,” Martin adds.

In addition to the Automated Sweep Program, JPMorgan also offers other unique and innovative short-term products, including an option for securities lending clients who do not wish to elect a separately managed approach. “We worked with JPMorgan Fleming Asset Management to develop a commingled investment vehicle to meet the needs of clients,” says Jim Wilson, Investment Management executive, JPMorgan Investor Services Securities Lending. “It’s a way to offer clients more choices regarding growth of their assets,” he says.

“Short-term cash products can play an important role in a client’s asset allocation strategy. With global interest rates on the rise, the benefits offered by cash products are becoming increasingly important,” says Martin. “No matter what a client’s investment strategy or risk requirements, whether they are concerned with capital preservation, liquidity, or yield enhancement, JPMorgan has something to add value to any short-term portfolio.” ○○○

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JPMorgan Funds are distributed by JPMorgan Fund Distributors, Inc. One Group Mutual Funds are distributed by One Group Dealer Services, Inc., which is a subsidiary of JPMorgan Chase & Co. Affiliates of JPMorgan Chase & Co. receive fees for providing various services to the fund. Securities may be introduced through JPMorgan Institutional Investments Inc., member of NASD/SIPC.

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JPMorgan Short-term Funds offering includes:

Liquid Assets Money Market Fund

Seeks to provide maximum current income consistent with the preservation of capital and same day liquidity. Invests primarily in commercial paper; certificates of deposit, corporate notes & bonds, time deposits and other high quality short-term obligations. Maximum average maturity: 90 days.

Prime Money Market Fund

Seeks to provide maximum current income for investors who prefer or require a fund with a AAA rating or NAIC-Class 1 approval.¹ Invests primarily in commercial paper of the highest quality category; certificates of deposit, bankers acceptances, time deposits and other high quality short-term obligations. Maximum average maturity: 60 days.

U.S. Government Money Market Fund

Seeks to provide income for clients who want a fund that invests in U.S. government securities and prefer or require a fund with a AAA rating or NAIC-Class 1 approval.¹ Invests primarily in short-term securities, issued or guaranteed by the U.S. Treasury, its agencies or instrumentalities and repurchase agreements, collateralized by those securities, in order to achieve the highest quality ratings available from Standard & Poor's and Moody's. Maximum average maturity: 60 days.

Treasury Plus Money Market Fund

Seeks to provide income for investors who wish to invest in a AAA rated or NAIC-Exempt Class approved fund of U.S. Treasury securities.¹ Invests primarily in obligations issued by the U.S. Treasury, including Treasury bills and notes and repurchase agreements secured by U.S. Treasury obligations. Maximum average maturity: 60 days.

100% U.S. Treasury Securities Money Market Fund

Seeks to provide income to investors that is exempt from certain state and local taxes. Invests exclusively in direct short-term obligations of The U.S. Treasury, which are backed by the full faith and credit of the U.S. government. Maximum average maturity: 90 days.

Federal Money Market Fund

Seeks to provide income exempt from state and local taxes for investors who wish to invest in a AAA rated or NAIC-Exempt Class approved fund.¹ Invests primarily in obligations issued or guaranteed by agencies and instrumentalities of the U.S. government and direct obligations of the U.S. Treasury. Maximum average maturity: 60 days.

Tax Free Money Market Fund²

Seeks to provide income exempt from federal taxes for clients who wish to invest in a AAA rated or NAIC-Class 1 approved fund.¹ Invests primarily in short-term municipal obligations that may include those of individual states, state agencies, municipalities and municipal agencies. Maximum average maturity: 60 days.

1. These ratings are historical and signify that the Fund's safety is excellent with superior capacity to maintain a \$1 Net Asset Value per share. The National Association of Insurance Commissioners' (NAIC's) "approved" status indicated that the Fund meets certain pricing and quality guidelines.

2. A portion of the Tax Free Money Market Fund's income may be subject to the Federal Alternative Minimum Tax.

An investment in a money market fund is not insured by the FDIC or any other government agency. Although money market funds strive to preserve the value of the investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.

For more complete information about JPMorgan Funds, including information about charges and expenses, please call your investment professional for a prospectus or call 1-800-622-4273. Please read it carefully before you invest or send money.

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